

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: W. R. Grace & Co., et al  
Debtor

Case No. 01-01139 Jointly Administered  
Reporting Period: December 2004

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

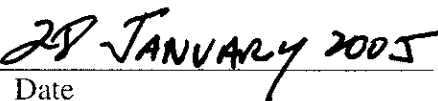
\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

  
\_\_\_\_\_  
Date

Robert M. Tarola

\_\_\_\_\_  
Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer

\_\_\_\_\_  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**December 31, 2004**

**Table of Contents**

**Chart #**

**Form MOR**

**Monthly Operating Report**

Schedule of Cash Receipts and Disbursements .....	1	MOR-1
Bank Reconciliations .....	2	MOR-1
Combining Statement of Operations - Filing Entities Only .....	3	MOR-2
Combining Balance Sheet - Filing Entities Only .....	4	MOR-3
Status of Postpetition Taxes .....	5	MOR-4
Accounts Receivable Reconciliation and Aging .....	6	MOR-5
Debtor Questionnaire .....	7	MOR-5

**Combined Chapter 11 Filing Entity Statements**

Combined Statement of Operations.....	8
Combined Functional Basis Statement of Cash Flows .....	9
Combined Balance Sheet .....	10
Notes to Combined Financial Statements .....	11

**Bank Statements**

**Federal Income Tax Returns**

None

**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Merrill Lynch Investment 3343175	JP Morgan Chase Holding 323223141
CASH BEGINNING OF MONTH	\$ 74,462	\$ -	\$ 782,532	\$ (2,004,905)	\$ 276,777,372	\$ 0	\$ 743,732
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			13,012,657		484,399		
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	200,000				106,000,000		
MISCELLANEOUS				6,447,949			1,089
TOTAL RECEIPTS	200,000	-	13,012,657	6,447,949	106,484,399	-	1,089
DISBURSEMENTS							
PAYROLL				2,088,873			
PAYROLL TAXES				2,354,170			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	219,682						
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			13,784,821		53,000,000		
MISCELLANEOUS			10,368				
TOTAL DISBURSEMENTS	219,682	-	13,795,189	4,443,044	53,000,000	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(19,682)	-	(782,532)	2,004,905	53,484,399	-	1,089
CASH - END OF MONTH	54,780	-	(0)	0	330,261,771	0	744,821

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	First Union Libby Medical 2079900065006
<b>CASH BEGINNING OF MONTH</b>	\$ 292,236	\$ 2,705,780	\$ 7,192,890	\$ 2,581,877	\$ 3,864	\$ 0	\$ -
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES		41,577,013					
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES	2,170,651						
TRANSFERS IN - NONFILING ENTITIES	57,617,446						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	165,256,277		99,400,000	22,321,435	8,177		153,221
MISCELLANEOUS							
<b>TOTAL RECEIPTS</b>	225,044,375	41,577,013	99,400,000	22,321,435	8,177	-	153,221
<b>DISBURSEMENTS</b>							
PAYROLL				10,571,380			
PAYROLL TAXES				5,930,167			
TRADE PAYABLES - THIRD PARTIES	55,325						
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES	170,742						
TRANSFERS OUT - THIRD PARTIES	5,015,984				2,956		153,221
TRANSFERS OUT - NONFILING ENTITIES	13,239,150	1,774,204					
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	206,667,305	39,569,000	105,022,244				
MISCELLANEOUS			1,570,646	8,401,766	9,085		
<b>TOTAL DISBURSEMENTS</b>	225,148,507	41,343,204	106,592,890	24,903,312	12,041	-	153,221
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	(104,132)	233,808	(7,192,890)	(2,581,877)	(3,864)	-	-
<b>CASH - END OF MONTH</b>	188,104	2,939,589	-	-	(0)	0	-

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W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16298631	SunTrust Payroll 00000141309	PNC 4002641360
CASH BEGINNING OF MONTH	\$ (4,353,285)	\$ (1,118,313)	\$ 2,764,537	\$ (886,240)	\$ (4,570,088)	\$ 50,438	\$ 45,246	\$ 24,472
RECEIPTS								
ACCOUNTS RECEIVABLE - THIRD PARTIES			31,688,616					
ACCOUNTS RECEIVABLE - INTERCOMPANY			22,635,238					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI								
DIP BORROWINGS								
TRANSFERS IN - THIRD PARTIES								
TRANSFERS IN - NONFILING ENTITIES								
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	40,391,435	2,676		2,302,405	39,842,894			
MISCELLANEOUS	8,928,636	2,749,376		765,014				
TOTAL RECEIPTS	49,320,072	2,752,053	54,323,853	3,067,418	39,842,894	-	-	-
DISBURSEMENTS								
PAYROLL		1,131,428				11,913		
PAYROLL TAXES		502,312						
TRADE PAYABLES - THIRD PARTIES	44,966,787			2,181,178	35,235,457			
TRADE PAYABLES - INTERCOMPANY								
ACCOUNT SECURITIZATION								
PAYMENTS AS SERVICER FOR GRPI								
DIP PRINCIPAL REPAYMENTS								
DIP INTEREST AND USAGE FEES								
TRANSFERS OUT - THIRD PARTIES								
TRANSFERS OUT - NONFILING ENTITIES			40,697					
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			56,614,779					
MISCELLANEOUS			432,914		37,348			
TOTAL DISBURSEMENTS	44,966,787	1,633,740	57,088,390	2,181,178	35,272,806	11,913	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	4,353,285	1,118,313	(2,764,536)	886,240	4,570,089	(11,913)	-	-
CASH - END OF MONTH	(0)	-	0	0	0	38,525	45,246	24,472

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco de Credito Time Deposit 0015820
<b>CASH BEGINNING OF MONTH</b>	\$ 10,000	\$ -	\$ 279,110	\$ 56,345	\$ 27,807	\$ 71,288	\$ -
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES						99,896	
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES					79,422		
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS							
<b>TOTAL RECEIPTS</b>					79,422	99,896	
<b>DISBURSEMENTS</b>							
PAYROLL					17,594		
PAYROLL TAXES							
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES					56,666	56,000	
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS					15,381	19,418	
<b>TOTAL DISBURSEMENTS</b>					89,641	75,418	
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>					(10,219)	24,478	
<b>CASH - END OF MONTH</b>	10,000	-	279,110	56,345	17,589	95,766	-

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W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit	Cash on Hand	Other	CURRENT MONTH	
						ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 88	\$ 196,307	\$ 0	\$ 43,925	\$ (72,502)	281,718,974	\$ -
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES		183,764	349			73,549,636	
ACCOUNTS RECEIVABLE - INTERCOMPANY						22,635,238	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						-	
DIP BORROWINGS						-	
TRANSFERS IN - THIRD PARTIES	115,992					15,863,122	
TRANSFERS IN - NONFILING ENTITIES						57,617,446	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS						475,878,522	
MISCELLANEOUS					583,928	19,475,992	
<b>TOTAL RECEIPTS</b>	115,992	183,764	349	-	583,928	665,019,958	-
<b>DISBURSEMENTS</b>							
PAYROLL	809					13,821,998	
PAYROLL TAXES	18,482					8,805,131	
TRADE PAYABLES - THIRD PARTIES						82,438,748	
TRADE PAYABLES - INTERCOMPANY						-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI						-	
DIP PRINCIPAL REPAYMENTS						-	
DIP INTEREST AND USAGE FEES						170,742	
TRANSFERS OUT - THIRD PARTIES	88,846	115,000				5,708,355	
TRANSFERS OUT - NONFILING ENTITIES						15,054,052	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS						474,858,150	
MISCELLANEOUS	3,288	7,236				10,507,451	
<b>TOTAL DISBURSEMENTS</b>	111,425	122,236	-	-	-	611,164,626	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	4,567	61,527	349	-	583,928	53,855,330	-
<b>CASH - END OF MONTH</b>	4,655	257,835	349	43,925	511,425	335,574,304	\$ -

**Note #1**

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W.R. Grace &amp; Co.

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (0)	\$ (0)	
<b>RECEIPTS</b>			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	2,670,765	2,670,765	
<b>TOTAL RECEIPTS</b>	2,670,765	2,670,765	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	2,670,765	2,670,765	
MISCELLANEOUS		-	
<b>TOTAL DISBURSEMENTS</b>	2,670,765	2,670,765	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>		-	-
<b>CASH - END OF MONTH</b>	\$ (0)	\$ (0)	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (82,196)	\$ (2,287)	\$ (84,484)	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES	2,291,702			2,291,702	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		383,088		383,088	
TOTAL RECEIPTS	2,291,702	383,088	-	2,674,790	
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		546,003	3,862	549,864	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	2,291,702			2,291,702	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	2,291,702	546,003	3,862	2,841,566	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(162,915)	(3,862)	(166,776)	
CASH - END OF MONTH	-	(245,111)	(6,149)	(251,260)	

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	Citibank Operating Acct 300153011	Petty Cash	Other	Cash-in-Transit	CURRENT MONTH	
					ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 4,366,019	\$ 1,500	\$ (51,673)	\$ 3,388	\$ 4,319,234	
<b>RECEIPTS</b>						
ACCOUNTS RECEIVABLE - THIRD PARTIES	662,997				662,997	
ACCOUNTS RECEIVABLE - INTERCOMPANY					-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					-	
DIP BORROWINGS					-	
TRANSFERS IN - THIRD PARTIES					-	
TRANSFERS IN - NONFILING ENTITIES					-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	264,789			-	264,789	
<b>TOTAL RECEIPTS</b>	927,786	-	-	-	927,786	-
<b>DISBURSEMENTS</b>						
PAYROLL	7,863				7,863	
PAYROLL TAXES	-				-	
TRADE PAYABLES - THIRD PARTIES	266,325				266,325	
TRADE PAYABLES - INTERCOMPANY					-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI					-	
DIP PRINCIPAL REPAYMENTS					-	
DIP INTEREST AND USAGE FEES					-	
TRANSFERS OUT - THIRD PARTIES				3,388	3,388	
TRANSFERS OUT - NONFILING ENTITIES					-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	264,789				264,789	
MISCELLANEOUS					-	
<b>TOTAL DISBURSEMENTS</b>	538,977	-	-	3,388	542,365	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	388,809	-	-	(3,388)	385,421	-
<b>CASH - END OF MONTH</b>	4,754,829	1,500	(51,673)	0	4,704,656	-

## CC Partners

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Kootenai Development Company			
Schedule of Cash Receipts and Disbursements			
MOR-1			
December 2004			
	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 17,363	\$ 17,363	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS		-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS	11,524	11,524	
TOTAL DISBURSEMENTS	11,524	11,524	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(11,524)	(11,524)	-
CASH - END OF MONTH	\$ 5,839	\$ 5,839	\$ -

Grace Europe, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
<b>RECEIPTS</b>			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
<b>TOTAL RECEIPTS</b>	-	-	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
<b>TOTAL DISBURSEMENTS</b>	-	-	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	-	-	-
<b>CASH - END OF MONTH</b>	\$ -	\$ -	\$ -

Gloucester New Communities Company, Inc.  
Schedule of Cash Receipts and Disbursements  
MOR-1  
December 2004

	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS		-	
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS		-	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)		-	
CASH - END OF MONTH	\$ 500	\$ 500	

Dewey &amp; Almy, LLC

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2004

	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -





W. R. Grace & Co. - Conn  
Bank Reconciliations  
November 2004  
MOR-1

	JP Morgan Chase Holding 323223141		JP Morgan Chase Concentration 16001257		Bank of America Lockbox 8188203114		First Union Concentration 2000000282172		First Union Payroll 2079900016741	
Balance per books	\$ 743,732		\$ 292,236		\$ 2,705,780		\$ 7,192,890		\$ 2,581,877	
Bank Balance	\$ 744,821		\$ 292,236		\$ 2,705,780		\$ 7,231,943		\$ -	
(+) Deposits in transit									(327,745)	
(-) Outstanding checks									2,909,622	
Other	(1,089)						(39,053)			
Adjusted bank balance	\$ 743,732		\$ 292,236		\$ 2,705,780		\$ 7,192,890		\$ 2,581,877	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
									Detail Available	
Other										
Transfers between bank accounts								(39,053)		2,915,989
Accounting error										
Interest not recorded on books		(1,089)								
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										(6,367)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit										

W. R. Grace & Co. - Conn  
Bank Reconciliations  
November 2004  
MOR-1

	First Union Petty Cash 2079900005600		Civic Bank Payroll 15502015736		First Union Libby Medical 2079900065006		First Union Accts Payable 2079920005761		First Union Payroll 2079900067554	
Balance per books	\$ 3,864		\$ -		\$ -		\$ (4,353,285)		\$ (1,118,313)	
Bank Balance	\$ -				\$ -		\$ -		\$ -	
(+) Deposits in transit										
(-) Outstanding checks	(1,127)						(3,707,750)		(14,881)	
Other	4,991						(645,535)		(1,103,432)	
Adjusted bank balance	\$ 3,864		\$ -		\$ -		\$ (4,353,285)		\$ (1,118,313)	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	12586	(15)					Detail Available		Detail Available	
	37009	(88)								
	37088	(1,000)								
	37089	(24)								
Other										
Transfers between bank accounts								(4,353,285)		(1,103,974)
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity		4,991								
Unreconciled ledger activity										542
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass								3,707,750		
Unrecorded deposit										

WACH-1

	Wachovia Lockbox 1866-082535		First Union Accts payable 2079900005260		First Union Accts Payable 2079900005231		M & T Bank Payroll 16298631		SunTrust Payroll 00000141309	
Balance per books	\$ 2,764,537		\$ (886,240)		\$ (4,570,088)		\$ 50,438		\$ 45,246	
Bank Balance	\$ 2,734,992		\$ -		\$ -		\$ 63,665		\$ 45,246	
(+) Deposits in transit										
(-) Outstanding checks			(886,240)		(4,609,141)		(20,784)			
Other	29,545		-		39,053		7,557			
Adjusted bank balance	\$ 2,764,537		\$ (886,240)		\$ (4,570,088)		\$ 50,438		\$ 45,246	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
			Detail Available		Detail Available		Detail Available			

W. R. Grace & Co. - Conn  
Bank Reconciliations  
November 2004  
MOR-1

	PNC 4002641360		Hibernia Natl Disbursement 101391210		Bank of America Payroll 0000 0002 2137		M & T Bank Payroll 16298657		First Union Petty Cash 2040000016900	
Balance per books	\$ 24,472		\$ 10,000		\$ -		\$ 279,110		\$ 56,345	
Bank Balance	\$ 24,472		\$ 10,000		\$ -		\$ 287,588		\$ 41,957	
(+) Deposits in transit							(9,301)			
(-) Outstanding checks							823		14,388	
Other										
Adjusted bank balance	\$ 24,472		\$ 10,000		\$ -		\$ 279,110		\$ 56,345	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
							5479	(1,911)		
							5496	(3,210)		
							5524	(640)		
							5618	(48)		
							5631	(602)		
							5651	(1,728)		
							EFT oct	(1,162)		
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass								823		(1,612)
Unrecorded deposit										16,000

	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco de Credito Time Deposit 0015820	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424
Balance per books	Soles 92,097	\$ 71,288		Soles 291	\$ 196,307
Bank Balance	93,919	\$ 71,288		291	\$ 196,307
(+) Deposits in transit					
(-) Outstanding checks	(1,821)				
Other					
Adjusted bank balance	92,097	\$ 71,288	\$ -	291	\$ 196,307
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
	Various (1,821)				
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity					
Unreconciled ledger activity					
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass					
Unrecorded deposit					

7 of 12

8 of 12



9 of 12

Darex Puerto Rico, Inc. Bank Reconciliations November 2004 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 4,366,019	
Bank Balance	\$ 4,451,220	
(+) Deposits in transit	216,023	
(-) Outstanding checks	(301,224)	
Other	-	
Adjusted bank balance	\$ 4,366,019	
Deposits in Transit	Date	Amt
	29-Oct-04	188,483
	30-Nov-04	27,540
Outstanding Checks	Ck. #	Amt
	15461	(27)
	15904	(728)
	16971	(920)
	17225	(6,111)
	17238	(68)
	17278	(52)
	17283	(13)
	17288	(128,882)
	17292	(68)
	17303	(75,948)
	17313	(2,166)
	17314	(13,550)
	17315	(6,452)
	17316	(972)
	17317	(4,095)
	17318	(126)
	17319	(3,000)
	17320	(12,717)
	17321	(225)
	17322	(97)
	17323	(3,625)
	17324	(150)
	17325	(5,730)
	17326	(248)
	17327	(50)
	17329	(16,330)
	17330	(6,371)
	17331	(972)
	17332	(180)
	17333	(695)
	17334	(58)
	17335	(935)
	17336	(2,584)
	17337	(185)
	17338	(195)
	17299	(4,095)
	various	(2,605.00)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

Grace Europe, Inc. Bank Reconciliations November 2004 MOR-1		
	Barclays Bank PLC	
Balance per books	\$ -	
Bank Balance	\$ -	
(+) Deposits in transit	-	
(-) Outstanding checks	-	
Other	-	
Adjusted bank balance	\$ -	
Deposits in Transit	Date	Amt
Outstanding Checks	Ck. #	Amt
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

[illegible]

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2004

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 72,301,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	26,090,925	-	-	-	-	-	-	-	-
Net sales to filing entities	103,271	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	584,200	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	35,773,232	4,124,073	732,453	19,173	845,233	-	2,602,915	-	-
	134,853,249	4,124,073	732,453	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	31,600,054	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	17,275,093	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	77,315	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	3,128,995	242,475	6,014	2,968	2,968	134,796	-	-	-
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	2,939,311	-	-	-	-	-	-	-	-
Depreciation and amortization	5,730,203	-	2,319	-	-	-	-	-	-
Interest expense	39,359,287	-	-	-	-	-	-	-	-
Other (income) expense	47,785,417	-	-	-	-	-	-	-	-
	147,895,676	242,475	8,333	2,968	2,968	134,796	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(13,042,427)	3,881,598	724,120	16,205	842,265	(134,796)	2,602,915	-	-
Chapter 11 reorganization expenses, net	(585,083)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	15,007,019	(1,358,559)	(253,596)	(5,672)	(294,793)	398	(911,021)	36	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ 1,379,509</b>	<b>\$ 2,523,039</b>	<b>\$ 470,524</b>	<b>\$ 10,533</b>	<b>\$ 547,472</b>	<b>\$ (134,398)</b>	<b>\$ 1,691,894</b>	<b>\$ 36</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2004

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 552,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	1,109,950	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	(34,272,012)	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(9,396,126)	(953)	-	-	-	-	-	-	-
	(43,668,139)	1,661,545	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	300,359	7,293	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	1,129,296	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	113,369	-	-	-	-	-	-	2,968
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	83,765	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other (income) expense	(174,553)	-	-	-	-	-	-	-	-
	(174,553)	1,626,790	7,293	-	-	-	-	-	2,968
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(43,493,586)	34,755	(7,293)	-	-	-	-	-	(2,968)
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	3,389,135	270,799	2,552	-	-	-	-	-	1,039
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ (40,104,451)</b>	<b>\$ 305,554</b>	<b>\$ (4,741)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,929)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2004

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	12,335	-	-	-	-	-	-	-	-
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other (income) expense	(1,282)	-	-	-	-	-	-	-	-
	11,052	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(11,052)	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	3,868	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ (7,184)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2004

	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	(34,700,000)
	-	-	-	-	-	-	-	-	(34,700,000)
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	27,800,000
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	(62,500,000)
	-	-	-	-	-	-	-	-	(34,700,000)
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Statement of Operations

MOR - 2

Month Ended December 31, 2004

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Statement of Operations

MOR - 2

Month Ended December 31, 2004

	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2004

	Coalgrace II, Inc.	Gracecoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch, West Coal Company	H-G Coal Company	Eliminations between Filing Entities
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	(1,213,221)
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(1,213,221)
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	(1,206,611)
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Libby indemnification costs pursuant to Court order	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(1,206,611)
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	(6,610)
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,610)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended December 31, 2004		
	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ 72,854,169
Net sales to non-filing entities	-	26,090,925
Net sales to filing entities	-	-
Interest and royalties from non-filing entities, net	-	(33,687,813)
Interest and royalties from filing entities, net	-	-
	-	65,257,281
Cost of goods sold to third parties	-	31,907,706
Cost of goods sold to non-filing entities	-	17,275,093
Cost of goods sold to filing entities	-	-
Selling, general and administrative expenses	-	31,446,888
Libby indemnification costs pursuant to Court order	-	-
Research and development expenses	-	2,939,311
Depreciation and amortization	-	5,816,287
Interest expense	-	39,359,287
Other (income) expense	-	(14,890,418)
	-	113,854,154
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	(48,596,873)
Chapter 11 reorganization expenses, net	-	(585,083)
(Provision for) benefit from income taxes	-	15,851,204
Minority interest in income of subsidiary	-	-
Equity in net income of non-filing entities	17,148,442	17,148,442
<b>Net income (loss)</b>	<b>\$ 17,148,442</b>	<b>\$ (16,182,310)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 335,574,304	\$ -	\$ (251,260)	\$ -	\$ -	\$ -
Accounts and other receivables, net	116,699,266	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	320,579,285	(415,800,747)	(12,679,718)	12,882,037	(37,768,932)	(9,997,362)
Inventories	76,639,543	-	-	-	-	-
Deferred income taxes	22,763,040	-	10,297,968	-	-	-
Other current assets	23,457,759	-	-	-	-	-
<b>Total Current Assets</b>	895,713,198	(415,800,747)	(2,633,010)	12,882,037	(37,768,932)	(9,997,362)
Properties and equipment, net	358,436,531	-	429,835	-	-	-
Goodwill	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	96,024,339	-	-	-	-	-
Deferred income taxes	983,693,032	-	29,268,534	-	-	-
Asbestos-related insurance receivable	500,000,000	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,401,144,983)	898,923,681	131,921,335	5,051,594	218,506,145	-
Investment in filing and non-filing entities	819,297,939	241,512,111	-	-	-	-
Other assets	72,584,495	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,339,103,641</b>	<b>\$ 724,635,044</b>	<b>\$ 158,986,693</b>	<b>\$ 17,933,631</b>	<b>\$ 180,737,213</b>	<b>\$ (9,997,362)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	56,264,487	-	13,793	-	-	-
Income taxes payable	(75,293)	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	161,372,992	-	281,976	-	-	1,374
<b>Total Current Liabilities</b>	217,562,186	-	295,769	-	-	1,374
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	310,230,215	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	295,334,067	-	-	-	0	-
<b>Total Liabilities Not Subject to Compromise</b>	823,126,468	-	295,769	-	0	1,374
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	645,760,468	-	-	-	-	-
Accounts payable	30,518,239	-	665,607	-	-	-
Income taxes payable	110,003,764	34,100,213	(1,097,638)	151,534	7,095,820	(13,151)
Asbestos-related liability	1,700,000,000	-	-	-	-	-
Other liabilities	503,437,451	-	112,765,719	-	32,067,440	-
<b>Total Liabilities Subject to Compromise</b>	2,989,719,922	34,100,213	112,333,688	151,534	39,163,260	(13,151)
<b>Total Liabilities</b>	3,812,846,389	34,100,213	112,629,457	151,534	39,163,260	(11,777)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	777,772	12,223	1,000	-	1,000
Paid in capital	142,809,878	422,874,626	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(1,327,184,701)	392,822,240	36,620,565	(16,271,369)	85,562,376	(9,986,585)
Treasury stock, at cost	-	(125,939,908)	-	-	-	-
Accumulated other comprehensive loss	(373,336,885)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(1,473,742,749)	690,534,831	46,357,236	17,782,097	141,573,953	(9,985,585)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,339,103,641</b>	<b>\$ 724,635,044</b>	<b>\$ 158,986,693</b>	<b>\$ 17,933,631</b>	<b>\$ 180,737,213</b>	<b>\$ (9,997,362)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,704,656	\$ -
Accounts and other receivables, net	-	97,834	-	-	2,131,356	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,460)	5,781,944	140,524,854	(74,796,835)	(1,947,680)	(4,302,055)
Inventories	-	(0)	-	-	237,816	-
Deferred income taxes	-	94,065	-	-	3,402	-
Other current assets	-	-	-	-	691,631	-
<b>Total Current Assets</b>	(386,938,460)	5,973,843	140,524,854	(74,796,835)	5,821,180	(4,302,055)
Properties and equipment, net	-	-	-	-	642,960	-
Goodwill	-	-	-	-	4,377,631	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	497,573,476	(3,285,654)	-	61,829,090	(689,195)	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	9,664,367	-
<b>Total Assets</b>	<b>\$ 110,635,016</b>	<b>\$ 2,742,189</b>	<b>\$ 140,524,854</b>	<b>\$ 45,701,719</b>	<b>\$ 19,816,942</b>	<b>\$ (4,302,055)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	26,301	-	-	972,267	-
Income taxes payable	-	-	-	-	75,561	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	356,532	-	-	91,372	-
<b>Total Current Liabilities</b>	-	382,833	-	-	1,139,199	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	36,801,311	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	382,833	-	36,801,311	1,139,199	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	21,864,124	(1,004,691)	(150)	(6,445,874)	2,068,024	(99,346)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	268,756	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	21,864,124	(735,935)	(150)	(6,445,874)	2,201,931	(99,346)
<b>Total Liabilities</b>	21,864,124	(353,102)	(150)	30,355,437	3,341,131	(99,346)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	61,845,489	13,074,177	274,606
(Accumulated deficit)/Retained earnings	118,037,190	(486,186)	115,166,011	(90,733,417)	3,400,634	(4,477,515)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,580,476	-	44,233,210	-	-
<b>Total Shareholders' Equity (Deficit)</b>	88,770,892	3,095,290	140,525,004	15,346,281	16,475,811	(4,202,709)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 110,635,016</b>	<b>\$ 2,742,189</b>	<b>\$ 140,524,854</b>	<b>\$ 45,701,719</b>	<b>\$ 19,816,942</b>	<b>\$ (4,302,055)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Alewile Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(19,621)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(19,621)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 55,991,956</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(5,101)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(5,101)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(5,101)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,497,057
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	55,997,057
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 55,991,956</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 5,839	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	6,908	-	-	-	-	-
<b>Total Current Assets</b>	2,265	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,633,205</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
<b>Total Current Liabilities</b>	551,649	5,000	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	551,649	5,000	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(8,122)	(195)	10,346,794	(230)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(8,122)	(195)	10,346,794	(230)	-	-
<b>Total Liabilities</b>	543,527	4,805	10,346,794	(230)	-	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(15,276)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	1,089,678	(26,618,827)	47,000,396	(7,283,596)	-	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,633,205</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,824,284</b>	<b>\$ (8,966)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(450)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(450)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(10,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(8,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 5,824,284</b>	<b>\$ (8,966)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (1,230,613)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Total Liabilities</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(1,230,683)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(1,230,583)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (1,230,613)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,324	-	(73,061)	(12,559,518)	(264,688)	(19,471,892)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	36,708,324	-	(73,061)	(12,559,518)	(264,688)	(19,471,392)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
<b>Total Assets</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 173,757</b>	<b>\$ (19,467,326)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
<b>Total Current Liabilities</b>	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	(7,650)
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	199	(3,584)
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(812)	-	(110)	(265)	(759)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(812)	-	(110)	(265)	(759)	-
<b>Total Liabilities</b>	(812)	-	(110)	(265)	(560)	(3,584)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 173,757</b>	<b>\$ (19,467,326)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****December 31, 2004**

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,478,912	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	23,478,912	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,478,912</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,637)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(1,237)	(300)	(335)	(405)	(185)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(1,237)	(300)	(335)	(405)	(185)	(110)
<b>Total Liabilities</b>	(1,237)	(300)	(335)	(405)	(185)	(110)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 23,478,912</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,637)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**December 31, 2004**

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, inc.	Grace A-B II Inc.	Grace H-G II Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,839</b>	<b>\$ 875,359</b>	<b>\$ (5,314)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(360)	(310)	(260)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(119)	(110)	-	(360)	(310)	(260)
<b>Total Liabilities</b>	(119)	(110)	-	(360)	(310)	(260)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,839</b>	<b>\$ 875,359</b>	<b>\$ (5,314)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 108,080</b>	<b>\$ 130,215,533</b>	<b>\$ 145,239,206</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	27,277,846	27,277,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	27,277,846	27,277,846	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(360)	1,749,615	1,749,790	(480)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(360)	1,749,615	1,749,790	(480)	(110)	-
<b>Total Liabilities</b>	(360)	29,027,461	29,027,636	(480)	(110)	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 108,080</b>	<b>\$ 130,215,533</b>	<b>\$ 145,239,206</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

December 31, 2004

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	200,000
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(26,516,524)
Other current assets	-	-	-	-	-
<b>Total Current Assets</b>	-	-	-	-	(26,316,524)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(364,785,907)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,326,102,717)	280,490,117	1,800,000
Other assets	-	-	(1,101,282)	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,327,203,999)</b>	<b>\$ 280,490,117</b>	<b>\$ (389,302,431)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>					
<b>Liabilities Not Subject to Compromise</b>					
<b>Current Liabilities</b>					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	5,000,000
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	(37,316,524)
<b>Total Current Liabilities</b>	-	-	-	-	(32,316,524)
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(364,785,907)
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	(100,000)	-	(397,102,431)
<b>Liabilities Subject to Compromise</b>					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	-	-	-	-
<b>Total Liabilities</b>	-	-	(100,000)	-	(397,102,431)
<b>Shareholders' Equity (Deficit)</b>					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,222,570,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(17,040,039)	276,270,132	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(1,000,000)	4,219,984	5,800,000
<b>Total Shareholders' Equity (Deficit)</b>	-	-	(1,327,103,999)	280,490,117	7,800,000
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,327,203,999)</b>	<b>\$ 280,490,117</b>	<b>\$ (389,302,431)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****December 31, 2004**

	COMBINED FILING ENTITIES
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 340,034,039
Accounts and other receivables, net	118,928,457
Receivables from/(payables to) filing and non-filing entities, net	37,806,860
Inventories	76,877,359
Deferred income taxes	6,641,951
Other current assets	24,156,298
<b>Total Current Assets</b>	<b>604,444,963</b>
Properties and equipment, net	359,947,771
Goodwill	18,876,721
Cash value of company owned life insurance, net of policy loans	96,024,339
Deferred income taxes	648,175,659
Asbestos-related insurance receivable	500,000,000
Loans receivable from/(payable to) filing and non-filing entities, net	358,646,640
Investment in filing and non-filing entities	468,382,995
Other assets	82,836,586
<b>Total Assets</b>	<b>\$ 3,137,335,673</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	
<b>Liabilities Not Subject to Compromise</b>	
<b>Current Liabilities</b>	
Debt payable within one year	\$ 0
Accounts payable	57,280,914
Income taxes payable	5,000,268
Asbestos-related liability expected to be disbursed within one year	-
Other current liabilities	125,344,572
<b>Total Current Liabilities</b>	<b>187,625,754</b>
Debt payable after one year	-
Deferred income taxes	-
Asbestos-related liability expected to be disbursed after one year	-
Other liabilities	332,027,729
<b>Total Liabilities Not Subject to Compromise</b>	<b>519,653,483</b>
<b>Liabilities Subject to Compromise</b>	
Debt, pre-petition plus accrued interest	645,760,468
Accounts payable	31,317,753
Income taxes payable	180,444,836
Asbestos-related liability	1,700,000,000
Other liabilities	648,539,366
<b>Total Liabilities Subject to Compromise</b>	<b>3,206,062,423</b>
<b>Total Liabilities</b>	<b>3,725,715,906</b>
<b>Shareholders' Equity (Deficit)</b>	
Preferred Stock	112
Common Stock	780,449
Paid in capital	426,542,620
(Accumulated deficit)/Retained earnings	(573,161,179)
Treasury stock, at cost	(125,939,908)
Accumulated other comprehensive loss	(316,602,327)
<b>Total Shareholders' Equity (Deficit)</b>	<b>(588,380,233)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 3,137,335,673</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



Chart 5

**W. R. Grace & Co. - Conn**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2004**

	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
<b>Federal</b>				
Withholding	\$ 12,423	\$ 3,271,886	\$ (3,284,309)	\$ -
FICA - Employee	4,989	1,086,836	(1,086,599)	5,226
FICA and payroll- Employer	760,850	1,087,153	(1,553,336)	294,667
Unemployment	-	2,077	(2,077)	-
Other	-	3,484	(3,484)	-
<b>Total Federal Taxes</b>	<b>\$ 778,262</b>	<b>\$ 5,451,436</b>	<b>\$ (5,929,805)</b>	<b>\$ 299,893</b>
<b>State and Local</b>				
Withholding	\$ -	\$ 971,610	\$ (971,610)	\$ -
Sales & Use	456,357	280,621	(380,287)	356,691
Property Taxes	2,776,983	281,981	(1,096,317)	1,962,647
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 3,233,340</b>	<b>\$ 1,534,212</b>	<b>\$ (2,448,214)</b>	<b>\$ 2,319,338</b>
<b>Total Taxes</b>	<b>\$ 4,011,602</b>	<b>\$ 6,985,648</b>	<b>\$ (8,378,019)</b>	<b>\$ 2,619,231</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

**Remedium Group, Inc.**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2004**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 18,083	\$ (18,083)	\$ -
FICA - Employee	-	1,592	(1,592)	-
FICA and payroll- Employer	-	1,592	(1,592)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 21,267	\$ (21,267)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 633	\$ (633)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 633	\$ (633)	\$ -
<b>Total Taxes</b>	\$ -	\$ 21,900	\$ (21,900)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

**Grace Washington, Inc.**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2004**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 19,416	\$ (19,416)	\$ -
FICA - Employee	-	938	(938)	-
FICA and payroll- Employer	-	938	(938)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 21,292	\$ (21,292)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 3,669	\$ (3,669)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 3,669	\$ (3,669)	\$ -
<b>Total Taxes</b>	\$ -	\$ 24,961	\$ (24,961)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

**L B Realty, Inc.**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2004**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ -	\$ -	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Taxes</b>	\$ -	\$ -	\$ -	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

**Darex Puerto Rico, Inc.**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2004**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	(1,650)	797	(797)	(1,650)
FICA and payroll- Employer	4,373	797	(5,170)	-
Unemployment	-	126	(126)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 2,723</b>	<b>\$ 1,720</b>	<b>\$ (6,093)</b>	<b>\$ (1,650)</b>
<b>State and Local</b>				
Withholding	\$ 1,364	\$ 1,204	\$ (1,204)	\$ 1,364
Sales & Use	-	-	-	-
Property Taxes	332,410	4,064	(1)	336,473
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 333,774</b>	<b>\$ 5,268</b>	<b>\$ (1,205)</b>	<b>\$ 337,837</b>
<b>Total Taxes</b>	<b>\$ 336,497</b>	<b>\$ 6,988</b>	<b>\$ (7,298)</b>	<b>\$ 336,187</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

**W. R. Grace & Co. - Conn**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**December 2004**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ 106,710,316
Amounts billed during the period	72,301,621
Amounts collected during the period	(73,549,636)
Other	4,403,496
Trade accounts receivable at the end of month, gross	\$ 109,865,797

**Trade Accounts Receivable Aging**

Current	\$ 79,666,426
1-30 days past due	21,862,751
31-60 days past due	6,476,056
+61 days past due	1,860,564
Trade accounts receivable, gross	109,865,797
Allowance for doubtful accounts	(947,776)
Trade accounts receivable, net	\$ 108,918,021

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ 108,918,021
Customer notes and drafts receivable	557,664
Pending customer credit notes	(6,081)
Advances and deposits	4,667,589
Nontrade receivables, net	2,562,073
Total notes and accounts receivable, net	\$ 116,699,266

Chart 6

**Remedium Group, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**December 2004**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ -

Chart 6

**Darex Puerto Rico, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**December 2004**

<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 2,260,911
Amounts billed during the period	552,548
Amounts collected during the period	(662,997)
Other	(9,385)
Trade accounts receivable at the end of month, gross	\$ 2,141,077
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 1,605,447
1-30 days past due	362,821
31-60 days past due	152,614
+61 days past due	20,195
Trade accounts receivable, gross	2,141,077
Allowance for doubtful accounts	(9,721)
Trade accounts receivable, net	\$ 2,131,356

<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 2,131,356
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 2,131,356



Chart 6

**Grace Europe, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**December 2004**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	97,834
Total notes and accounts receivable, net	\$ 97,834

Chart 7

W.R. Grace & Co., et al  
Debtor Questionnaire  
MOR - 5  
December 2004

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds